Finance Report for Governors Month 9 2023/2024

Month 9 Budget report

Income is £454K positive to budget (10.4%). Included in this amount is £145k of additional funding from government, £23k additional interest, £15k more donations from visitors than budgeted and £166k insurance claim for legal fees and drain repairs. Some additional income is offset by additional costs – see narrative on the budget report.

Expenditure for the period is £289k above budget (6.4%).
Staff costs are £134k below budget. This indicates a saving as the budget was set with a 3.5% increase for teachers, actual increase was 6.5%, so would expect to see an overspend in this area.
Budget areas which are seriously overspent are:

- Teaching staff recruitment - £10,981 overspent – agency fee of £10905 not budgeted
- Repairs and maintenance of buildings - £57,500 overspent – see narrative on budget for specific costs.
- Repairs and maintenance of grounds - £38,138 overspent – £11600 resurfacing of yard (unbudgeted), £5006 for fencing and £18500 for repairs to drains, the latter is covered by insurance reducing the overspend to £19,638.
- Utilities – electricity costs are £22,807 above budget.
- Cleaning costs - £12,830 above budget due to an increase in staff costs.
- Legal and professional - £153,040 – offset by £148,634 received in insurance

With regard to the repairs and maintenance budgets, these were set at a moderate level in order to minimise the level of deficit budgeted for 2023/24, with the knowledge that reserves would cover unbudgeted remedial works if required. As things stand, these repairs are currently covered without recourse to the use of reserves.

Surplus at 31.05.24: There is a surplus of £49,991 against a forecast deficit of £115,439 at the end of month 9.

Capital expenditure

9 additional CCTV cameras - £4987

New projectors - £20878

Furniture for yard - £11462

Water tank - £14602

Cash at bank on 30.04.24

Current Account - £25,000.00

Reserve Account - £961,072.32

35 Day saver - £779,705.38

Total – £1,765,777.70

Pupil numbers

Year 7	122
Year 8	123
Year 9	124

Year 10	120
Year 11	118
Year 12	65
Year 13	56
Total	728

Lunch payment arrears

There is £1700.80 in lunch arrears as of 03.07.24, staff continue to chase outstanding payments, but it is likely that some will not be recovered as pupils have left the school.

Budget 2024/25

It has not been possible to set a balanced budget again this year, the proposed budget is showing a deficit of (£101,665) which is 1.6% of total expenditure. Last year a deficit of (£138,205) was approved, but we are likely to end the year in a surplus position due to additional funding which had not been announced at the point that the budget was set. However, I am not anticipating additional funding from government this year, so the deficit will need to be covered by in year savings or from reserves.

Assumptions in the budget:

- 3% pay increase for teaching and admin staff in September 2024.
- Catering and premises staff are paid on the London Living Wage, provision has been made for an increase of 5% in April 2025.
- Inflation of 2% has been assumed for budget lines where no specific contract has been agreed. Budgets have also been adjusted according to expected outturn for the current year.

3 Year Projection

The 3 year projection is showing a further deficit of £254,021 in year 2 and £399,572 in year 3, which would give a cumulative deficit of £755,248 over the 3 years.

Assumptions in the 3 year projection:

- 3% increase year or year in GAG funding
- 3% pay increases in each of years 2 and 3 for teachers and admin staff
- 3% pay increase for catering and premises staff
- None of the current staff leave and all receive increments
- Inflation of 2% on other expenses

These figures are somewhat speculative as there is no indication of the level of future funding increases, or future pay agreements, but assumptions are in line with those being made by other schools/trusts. The projection gives a strong indication that unless funding increases significantly, we will have to consider future savings. However, we have sufficient reserves to cover these deficits should they materialise, and in the meantime we continue to invest in excellent staff.